

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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| In the Matter of |) | |
| |) | |
| Revision of the Commission's Rules to |) | CC Docket No. 94-102 |
| Ensure Compatibility with Enhanced |) | |
| 911 Emergency Calling Systems |) | |
| |) | |
| Wireless E911 Phase II Implementation |) | |
| Plan of Nextel Communications, Inc. |) | |

**NEXTEL COMMUNICATIONS, INC.
PHASE I AND PHASE II E911 QUARTERLY REPORT
February 1, 2005**

**To: Chief, Wireless Telecommunications Bureau
Chief, Enforcement Bureau**

INTRODUCTION

Pursuant to the October 12, 2001, Order of the Federal Communications Commission ("Commission" or "FCC") in CC Docket No. 94-102,¹ Nextel Communications, Inc. ("Nextel") respectfully submits this Enhanced 911 ("E911") Quarterly Report on its implementation of Phase I and Phase II E911.

Nextel continues to devote substantial resources to E911 and has deployed 771 public safety answering points ("PSAPs") with Phase II E911 service since it achieved its first Phase II benchmark per Nextel's Waiver Order.² During this same period, Nextel brought its total Phase I deployments to 1175 PSAPs. Since its November 1, 2004, Report, Nextel has deployed an additional 152 PSAPs with E911 Phase II service.

¹ *In the Matter of Revision of the Commission's Rules To Ensure Compatibility With Enhanced 911 Emergency Calling Systems, Wireless E911 Phase II Implementation Plan of Nextel Communications, Inc.*, Order, CC Docket No. 94-102, FCC 01-295, released October 12, 2001 ("Waiver Order").

² Per the Waiver Order, Nextel was required to begin selling and activating an A-GPS capable handset on October 1, 2002.

Significantly, Nextel deployed E911 Phase II service to St. Louis, Missouri, and the state of Minnesota.

As demonstrated by these activities, Nextel is committed to providing its customers and public safety officials with Phase II E911 as soon as possible. As Nextel described in its August 2, 2004, quarterly report, however, a latent software defect in certain Assisted Global Positioning Satellite (“A-GPS”) handsets Motorola manufactured and provided to Nextel resulted in a malfunction of the E911 Phase II location capability in all of Nextel’s Phase II-compliant handsets as of the evening of July 17, 2004.

Reestablishing these handsets’ ability to generate and transmit Phase II information requires changes to both the Nextel network and to each affected handset. Nextel and Motorola Inc. (“Motorola”) have upgraded the network and are now currently addressing the second phase of the issue, which requires updating, or “reflashing,” the software in affected A-GPS capable handsets currently in use.

Herein, Nextel provides an update on its actions to address this A-GPS handset issue as well as on the state of its Phase I and Phase II progress, including a listing of all deployed and pending requests for Phase I and Phase II E911 service. Nextel also confirms herein that it has sold out of its remaining inventory of non-A-GPS capable BlackBerry model 7510 units, which it reported in its November 1, 2004, quarterly report.

BACKGROUND

In its Waiver Request seeking an October 2002 Phase II E911 implementation date, Nextel affirmed that it could not launch on October 1, 2001, because no GPS capability existed for the integrated digital enhanced network (“iDEN”) platform and it

was not technologically possible to develop an iDEN A-GPS handset capable of delivering FCC-compliant automatic location information (“ALI”) prior to October 1, 2002. Moreover, the iDEN air interface, which is used by few other carriers and only on a regional basis, is supported by only one manufacturer: Motorola. After carefully analyzing and testing multiple location technologies, including a network-based solution and a hybrid network and handset solution known as Enhanced Observed Time Difference of Arrival, Nextel determined that the best, and in fact the only, technology option for bringing its iDEN network into compliance with the Commission’s E911 Phase II accuracy requirements was to deploy the A-GPS solution.³ Nextel, along with Motorola and the other vendors required to support E911, devoted substantial resources to develop, test, and install network hardware and software, and to develop, test and launch A-GPS capable iDEN handsets.

The Waiver Order found that Nextel faced “special circumstances that affect its deployment of Phase II.”⁴ Accordingly, the Commission imposed the following Phase II E911 implementation benchmarks:

- October 1, 2002:* Begin selling and activating A-GPS-capable handset;
- December 31, 2002:* Ensure that at least 10% of all new handsets activated are A-GPS-capable;
- December 1, 2003:* Ensure that at least 50% of all new handsets activated are A-GPS-capable;

³ See Waiver Order at ¶ 16-17; Nextel Communications, Inc. and Nextel Partners, Inc. Joint Report on Phase II Location Technology Implementation and Request For Waiver, at 11-17, filed November 9, 2000.

⁴ Waiver Order at ¶19. The Commission also stated “it is reasonable to expect that Nextel might find it more difficult to meet the same schedule as carriers employing the more common air interfaces, because location technology vendors and equipment manufacturers will have substantial incentives to introduce ALI products first for those segments of the market with larger market share. In addition, iDEN is a proprietary Motorola technology and, to the extent that a location technology requires new or modified handsets and network equipment, Nextel must rely on Motorola as a sole source provider.” *Id.*

December 1, 2004: Ensure that 100% of all new digital handsets activated are A-GPS-capable;

December 31, 2005: 95% of all subscriber handsets in service are A-GPS-capable.⁵

Nextel met its first three benchmarks,⁶ and, with *de minimis* exceptions noted in Nextel's last quarterly report, met the December 1, 2004, 100% activation requirement as well. Nextel continues to deploy E911 service at a rapid pace. Unfortunately, problems such as inadequate funding at local, state and federal levels, have impeded PSAP deployment efforts and resulted in a lack of PSAPs that are Phase II capable. Thus, the vast majority of PSAPs throughout the country are incapable of receiving and using a caller's latitude and longitude and, given the *status quo*, most PSAPs likely will not be ready to deploy Phase II service in the near future and perhaps even longer.

⁵ Waiver Order at ¶37. It is only this final benchmark, that 95% of Nextel's handsets in service be A-GPS capable by December 31, 2005, that the Commission has not been extended since 2000. See Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems, *Fourth Memorandum Opinion and Order*, CC Docket 94-102, 15 FCC Rcd 17442 (2000). Other benchmark deadlines for large carriers employing a handset-based E911 Phase II solution have been waived by some amount over the past several years. See, e.g., Waiver Order (establishing new interim benchmarks for Nextel, but retaining the December 31, 2005, 95% penetration benchmark); Revision of the Commission's Rules To Ensure Compatibility with Enhanced 911 Emergency Calling Systems, *Order*, CC Docket No. 94-102, 18 FCC Rcd 12543 (2003) (granting a 6-month extension to Sprint to comply with the 100% activation deadline). The Commission noted in 1999 that an admittedly optimistic estimate found that with an annual churn of 24% per year (i.e., 2% per month), and with high projections of new sales and retrofits, 100% of handsets would be ALI-capable within three years, "without extraordinary measures being taken by carriers." The Commission also cited another report estimating 25.63% churn per year leading only to a 73% penetration level over four years. Revision of the Commission's Rules To Ensure Compatibility with Enhanced 911 Emergency Calling Systems, *Third Report and Order*, CC Docket No. 94-102, 14 FCC Rcd 17388 at ¶ 50 (1999). Despite the fact that its assumptions were incorrect as to Nextel, since 2000 the Commission has retained the final benchmark date, even as it has waived interim deadlines due to the demonstrated hardships that carriers have faced in deploying A-GPS capable handsets.

⁶ On October 1, 2002, Nextel launched its first A-GPS handset and turned on its first Phase II PSAP, thus fulfilling its first benchmark. In February of 2004, Nextel reported that 12% of all new activations between December 31, 2002, and November 30, 2003, were A-GPS capable, thus fulfilling its second benchmark. The requirements that 50% of new activations between December 1, 2003, and November 30, 2004, be A-GPS capable and that 100% of all new activations after December 1, 2004, be A-GPS capable are addressed herein.

DISCUSSION

A. A-GPS Capable Handsets

Since the launch of its first A-GPS capable handset, the i88, on October 1, 2002, in compliance with its first Phase II handset deployment benchmark, Nextel has continued to introduce new A-GPS handsets, while phasing out non-A-GPS handsets, to drive penetration of location functionalities into its subscriber base. As of today all new handsets providing interconnected voice service that Nextel offers for sale are A-GPS capable. Nextel actively markets these handsets' location capabilities and takes special steps to put these A-GPS compatible phones into the hands of its subscribers.

The FCC requires that handset based Phase II solutions provide the location of wireless calls within 50 meters for 67 percent of calls and within 150 meters for 95 percent of calls.⁷ Based on the guidelines provided by the FCC's Office of Engineering and Technology, Nextel—via an independent third-party consultant—completed its accuracy testing prior to launching and met the Commission's standards.

B. A-GPS Handset Issue

On July 19, 2004, Nextel's sole handset vendor, Motorola, notified Nextel of a problem affecting Motorola i205, i305, i530, i710, i730, i733, i736, and i830 handsets. A latent problem in the software of these handsets rendered all A-GPS services unusable as of midnight, Greenwich Mean Time, July 18. To ensure that this software problem did not cause 911 calls from the affected handsets to drop, Nextel temporarily disabled the network component of its Phase II E911 A-GPS service, thus transmitting to PSAPs the caller's voice, nearest cell site location, and call-back number, *i.e.*, Phase I E911. Nextel

⁷ 47 C.F.R. § 20.18(h)(2). *See also*, "Guidelines for Testing and Verifying the Accuracy of Wireless E911 Location Systems," OET BULLETIN No. 71 (April 12, 2000).

immediately informed the Commission and all of its Phase II-deployed PSAPs of this problem and of the need to temporarily limit Nextel's E911 functionality to Phase I.

The permanent solution to this A-GPS problem requires a two-part fix involving the network and the handsets. The first part was an upgrade to Nextel's network to re-enable the transmission of latitude and longitude to Phase II deployed PSAPs. This network upgrade was successfully deployed in Nextel's network on July 25, 2004.

The second part of the solution requires updating the Motorola software in the affected handsets, including those already in customers' hands as well as those in Nextel's and Motorola's inventories. Motorola developed software that addresses the A-GPS issue in every affected model. Nextel's web site provides customers with instructions on self-reflashing their handsets at no charge. Nextel and Motorola have nearly completed mailing self-reflash kits consisting of a CD-ROM and data cable to all customers with affected handsets, enabling customers to reflash their handsets at their home or office, with no need to visit a Nextel store or service center. All of Nextel's stores and service centers are set up to reflash customer handsets, and, as a matter of course, whenever a customer brings a handset in for any reason, Nextel updates its software at no cost to the customer. Independent dealerships that carry Nextel handsets are also capable of reflashing customer handsets, and Motorola has put in place an incentive program for dealers to reflash a handset brought in for any reason. In addition, Nextel and Motorola are currently offering Nextel customers incentives to reflash their handsets themselves (*i.e.*, a sweepstakes entry and a free trial subscription to a handset GPS-based direction service, TeleNav). Nextel and Motorola are analyzing customers'

responses and will continue to develop policies to encourage our customers to reflash, or upgrade, affected handsets.

The network upgrade noted above ensures that Nextel's network is capable of identifying whether a 911 call is being placed from a handset updated with the new software, or from a non-updated phone.⁸ If a call is placed from an updated handset, that handset will automatically calculate its GPS location and Nextel's network will transmit E911 Phase II location information (assuming the PSAP is capable of receiving Phase II information) to that PSAP. If a 911 call is placed from a handset without the updated software, the handset will not attempt a GPS fix so Nextel will transmit Phase I information to the PSAP.⁹

C. Phase I Requests

With respect to the Commission's requirement that Nextel provide "information on all pending Phase I and Phase II requests,"¹⁰ Nextel has attached an Appendix listing all of its 542 pending Phase I requests and their current status.¹¹ For each of the on-going Phase I deployment efforts, the Appendix provides, as required by the Commission, the master PSAP registry identification number ("PSAP ID"), PSAP name, PSAP state,

⁸ Importantly, the network changes required to differentiate between the handsets with old versus new software requires that Nextel also upgrade the software in its i58sr and i88s A-GPS handsets even though they were not directly impacted by the A-GPS software defect.

⁹ Because the GPS software defect causes the handset to shut down and automatically reboot upon achieving a GPS fix, the handsets without the updated software cannot be allowed to generate a GPS fix. Doing so would cause the 911 call to terminate at the moment GPS location information is generated.

¹⁰ See Waiver Order at ¶32.

¹¹ On June 6, 2003, the Commission released a Public Notice setting forth uniform requirements governing the Appendix format in which carriers submit Phase I and Phase II deployment information with each Quarterly Report. Per these requirements, Nextel has attached an Appendix listing all of its E911 deployments. See Public Notice, *Wireless Telecommunications Bureau Standardizes Carrier Reporting on Wireless E911 Implementation*, CC Docket No. 94-102, rel. June 6, 2003.

PSAP county, request date, whether the request is valid,¹² a projected deployment date, reasons hindering deployment within the first six months of a PSAP's request and comments.¹³ The proposed deployment dates in the Appendix are *target launch dates*, which Nextel and the relevant PSAP are striving to meet. Nextel is in contact with each of these PSAPs and is working to deploy Phase I E911 as soon as possible. Nextel has fully deployed Phase I E911 service with 1175 PSAPs, which are listed in the Appendix. With regard to its Phase I deployment efforts, Nextel reiterates herein that in some cases Phase I E911 deployments, similar to Phase II deployments, continue to be complicated by a number of factors—many of which are outside of Nextel's control. For example, among other things, trunks must be ordered from local exchange carriers to route traffic from Nextel to the PSAP. Even if the trunks are timely provisioned, they still must be tested, and in the event of a failure, can take as long as 90 days to be reprovisioned.

D. Phase II Requests

At the same time Nextel is deploying Phase I, it continues to deploy Phase II at those PSAPs capable of receiving and using the specific location information transmitted via Nextel's Phase II solution.¹⁴ The Appendix lists every pending Phase II request and

¹² Per the Waiver Order, Nextel is required to report whether it believes each deployment request is (or is not) valid. See Waiver Order at ¶32. On March 24, 2003, Nextel filed a letter in WT Docket No. 03-76 stating that Nextel has been and continues to be in contact with PSAPs that have requested Phase I or Phase II service and will deploy these PSAPs as soon as possible pursuant to a mutually agreeable implementation schedule. Thus, Nextel is complying herein with the Commission's requirement that it mark as "valid" or "invalid" each PSAP request, although as a practical matter, Nextel's deployment team is working with each PSAP's Phase I and Phase II pending request listed in the Appendix to deploy them as soon as possible pursuant to a mutually agreed-upon time frame.

¹³ In some cases there are delays caused by technology issues. Such delays do not necessarily mean that the PSAP or Nextel is not "ready" for Phase I service. Rather, it often means there are issues involving incompatible technologies between Nextel, the LEC and/or the PSAP.

¹⁴ Nextel has available to PSAPs two different methodologies for transmitting Phase II information—Emergency Service Routing Keys ("ESRK") and Emergency Services Routing Digits ("ESRD"). Nextel is

the Commission's required information, including the PSAP ID, PSAP name, PSAP state, PSAP county, request date, whether the request is valid,¹⁵ a projected deployment date, reasons hindering deployment within the first six months of a PSAP's request and comments. Nextel currently has 573 pending Phase II requests.

Similar to Phase I deployments, the proposed Phase II deployment dates in the Appendix are *target launch dates, which Nextel and the relevant PSAP are striving to meet*.¹⁶ Nextel reiterates that accomplishing such deployments is subject to numerous factors and parties outside of Nextel's control; thus, Nextel's deployment schedule establishes a goal toward which Nextel will work. It is possible, however, that complexities may be encountered that could delay some PSAP deployments. Nextel is in contact with each of these PSAPs and is working to deploy Phase II E911 as soon as possible within mutually agreed upon time frames. Nextel will continue to dedicate significant resources to maintain its aggressive roll out schedule to PSAPs that are capable of receiving and using location technology.

Since October 1, 2002, its first implementation benchmark, Nextel has deployed Phase II service with 771 PSAPs, which are included in the Appendix. Nextel remains actively engaged with multiple PSAPs and anticipates deploying Phase II service in additional areas in the near future consistent with mutually agreeable timeframes.

currently working toward improving its ESRK platform at the request of certain PSAPs. Such improvements are expected in the first half of 2005.

¹⁵ See *supra* note 14.

¹⁶ The A-GPS software defect delayed a few deployments while the network and handset software solutions were being developed. However, the speed with which Nextel was able to deploy the fix in its network and in handsets within Nextel's control (i.e., in inventory) ensured that PSAP deployment schedules were minimally impacted.

Despite successful Phase II deployments in numerous areas such as Massachusetts, the District of Columbia; New Orleans; New York City; Miami-Dade, Florida; Houston, Texas; King County, Washington; and Denver, Colorado, the vast majority of PSAPs throughout the country are not ready to receive and use ALI for various reasons, some of which are outside a PSAP's direct control, *e.g.* lack of local, state and federal funding as well as a lack of E911 coordination bodies. Given the *status quo*, the majority of PSAPs in the country likely will not be prepared to receive or use ALI in the foreseeable future. Similarly, the majority of PSAPs in which Nextel provides service will likely not be prepared to receive or use ALI in the foreseeable future. Therefore, despite Nextel's efforts to meet the handset penetration goals, only a limited number of its subscribers will realize the benefits of Phase II deployment in the near future.

E. 50% A-GPS Activation Requirement Between December 1, 2003, and November 30, 2004

The Nextel Waiver Order requires that 50% of new handset activations between December 1, 2003, and November 30, 2004, be A-GPS capable.¹⁷ During this period, Nextel far exceeded this benchmark as 85% of all new activations were A-GPS capable. This figure excludes from the number of A-GPS activations those handsets that were activated during the brief period of time in which not all Nextel handsets were sold with the software upgrade which addressed the GPS glitch. Although these handsets are not considered A-GPS capable for purposes of demonstrating compliance with the 50% benchmark, it should be noted that each of these handsets has the capability to deliver

¹⁷ Waiver Order at ¶ 37.

location information to a Phase II capable PSAP if and when the customer upgrades the handset's software.

F. 100% New A-GPS Activations After December 1, 2004

The terms of the Waiver Order stipulate that Nextel must activate only A-GPS capable handsets by December 1, 2004. Since December 1, 2004, through January 14, 2005, Nextel substantially complied with the Commission's requirement that all new activations be of A-GPS capable handsets. Due to the BlackBerry 7510 issue Nextel noted in its November 1, 2004, report¹⁸ and limited continued activations by dealers who owned and controlled non-A-GPS capable handsets, a *de minimis* number of non-A-GPS capable handsets were activated on Nextel's network. With the exception of the limited remaining inventory of BlackBerry model 7510 units, Nextel firmly upheld its policy not to activate any new non-A-GPS unit after December 1, 2004. To ensure that it had an A-GPS capable BlackBerry unit available by the December 1, 2004, deadline, Nextel and its vendor, Research in Motion Limited ("RIM"), worked diligently to produce the A-GPS capable BlackBerry 7520. This BlackBerry 7520 has been available for purchase since December 1, 2004.

To comply with the December 1, 2004, benchmark, moreover, Nextel removed all non-A-GPS capable handsets from its inventory in November. It directed all Nextel-operated sales operations, including its retail stores and telesales operations, not to activate new non-A-GPS handsets after December 1, 2004. Finally, Nextel's order entry

¹⁸ See Nextel's November 1, 2004, quarterly report at 10-12. Nextel's inventory of BlackBerry model 7510s were virtually sold out as of the end of December 2004. This ensured that none of these units might be activated after February 1, 2005.

systems did not permit new non-A-GPS activations after December 1, 2004.¹⁹ Because some older non-A-GPS capable Boost Mobile-branded handsets²⁰ may have been on non-Nextel dealer shelves, however, these units contributed to the small number of post-December 1, 2004, non-A-GPS activations. Because these units represented a *de minimis* number of activations and were outside of Nextel's control (*i.e.*, they were owned by non-Nextel dealers), Nextel has achieved substantial compliance with the December 1, 2004, activation requirement.

G. December 31, 2005, Benchmark

As first stated in its August 2, 2004, quarterly report, Nextel may not meet the December 31, 2005, benchmark of 95% A-GPS handset penetration. After months of careful evaluation of customer trends, upgrade activity and continued low churn rates on Nextel's network, it has become evident that turning over nearly all of Nextel's users to an A-GPS enabled handset (despite having activated almost exclusively A-GPS handsets for nearly a year) probably will not be achievable. The current software defect affecting all of Nextel's A-GPS handsets has significantly exacerbated this situation for Nextel, given that Nextel must now reflash the software in handsets that it previously had counted toward achieving the December 31, 2005, benchmark. Nextel will continue to follow up with additional information regarding its A-GPS handset penetration once it better understands the challenges associated with upgrading the software in the A-GPS handsets already deployed across Nextel's network.

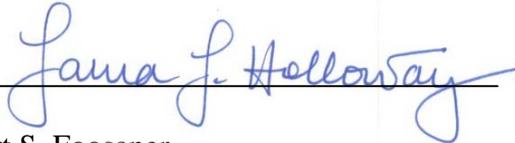
¹⁹ Some larger customers have the capability to order and manage their own inventory of Nextel handsets. Even these customers were forced to certify that all new units activated after December 1, 2004, were A-GPS capable.

²⁰ Nextel offers pre-paid wireless services under the Boost Mobile brand in a limited number of markets. Although Boost Mobile handsets may be purchased in Nextel retail stores, the majority of them are purchased through retailers including Best Buy, Target, 7 Eleven, etc. Boost Mobile-branded handsets are activated via an order entry system separate from Nextel's post-paid offerings.

CONCLUSION

As required in the Waiver Order,²¹ Nextel is providing this Quarterly Report to the Executive Directors and counsel of the Association of Public Safety Communications Officials-International, Inc. (“APCO”), the National Emergency Number Association (“NENA”) and the National Association of State Nine One One Administrators (“NASNA”). Should any of these organizations or their individual PSAP members have questions or concerns about Nextel’s submission, Nextel encourages them to contact Laura Holloway, at the number listed below, as soon as possible to facilitate rapid and efficient deployment of Nextel’s Phase I and Phase II E911 services.

Respectfully submitted,
Nextel Communications, Inc.

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²¹ Waiver Order at ¶32.